

VZCZCXRO5525
PP RUEHDIR
DE RUEHRL #1648/01 2431200
ZNY CCCCC ZZH
P 311200Z AUG 07
FM AMEMBASSY BERLIN
TO RUEHC/SECSTATE WASHDC PRIORITY 9154
INFO RUCNFRG/FRG COLLECTIVE
RUEHKB/AMEMBASSY BAKU 0066
RUEHPG/AMEMBASSY PRAGUE 0460
RUEHFR/AMEMBASSY PARIS 8995
RUEHLO/AMEMBASSY LONDON 8456
RUEHIT/AMCONSUL ISTANBUL 0132
RUEHDIR/IRAN RPO DUBAI

C O N F I D E N T I A L SECTION 01 OF 03 BERLIN 001648

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SIPDIS, NEA/IR, NEA/IDP, NEA/PI, EUR/PPD, EUR/ERA FOR
GIAQUE, EUR/AGS, DRL FOR LURIE, BAKU FOR HAUGEN, LONDON FOR
GAYLE, PRAGUE FOR FELDMAN, ISTANBUL FOR ODLUM

E.O. 12958: DECL: 08/29/2017

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SUBJECT: EMBASSY BERLIN'S EFFORTS ON FY2007 IRAN DEMOCRACY
SMALL GRANTS PROGRAM

REF: A) BERLIN 1409 B) STATE 89345 C) BERLIN 1560

Classified By: DCM John Koenig for reasons 1.4(b)/(d)

11. (C) SUMMARY: As a pilot post in the FY07 Iran Democracy Small Grants Program, Embassy Berlin has canvassed several local nongovernmental organizations working on Iran or Middle East issues to discuss Small Grant opportunities. While generally positive on overall initiative goals, organizations contacted have declined to engage on small grant proposals for FY2007, citing concerns about the Iranian internal situation or a lack of Iran-specific know-how. External factors, including bitter past German NGO experience on Iran projects, as well as ongoing events in Iran, also play a role in the organizations' decisions. Despite this setback Post continues to identify and reach out to potential implementers and will build on this experience in the hope that the Iran Small Grant program will be continued in FY2008. We foresee the need for continued cooperation with relevant bureaus to ensure the proper resources and infrastructure are in place to successfully carry out the initiative. END SUMMARY.

12. (C) ORGANIZATIONS DEMUR, CITING LACK OF CONTACTS, IRANIAN INTERNAL SITUATION: As instructed in ref B, Post sought contact with Berlin-based organizations which have civil society or Middle East focus capacities, and were also deemed able to submit a grant proposal within the short time frame allotted. Post identified eight local organizations and established contact with six; while generally positive on the aims of the project, all six organizations stated that they currently do not have interest or sufficient know-how to implement such a project. The replies by individual organizations, many of which are Embassy partners on other projects, are detailed below:

--FRIEDRICH NAUMANN FOUNDATION (FNF): The Free Democratic Party-affiliated political foundation's Middle East director, Gabriele Raitmeyer, noted that the FNF is currently not conducting Iran-related programming. This is not for a lack of interest, but rather a question of resource allocation, as well as a lack of contacts within Iran. Raitmeyer is interested in learning more about USG Iran and general Middle East programming.

--ECOLOGICA: Working on environmental issues, their programs (including internship programs) are currently limited to EU countries; they are considering expanding their internship program to include non-EU countries (including Middle Eastern countries) but not in the immediate future. Should the Iran Small Grants program continue into FY08, this would be

another potential grantee worth cultivating.

--KONRAD ADENAUER FOUNDATION (KAF): While generally supportive of such an initiative, contacts at the CDU-affiliated KAF noted that internal division exists within the Foundation on how best to proceed with Iran-related projects. While the strategic planning staff ("from the safety of our Berlin offices") consider it a good idea, reservations exist within the regional operations sections, who are concerned about the welfare of their partners (and reputation) on the ground.

--CENTER FOR THE MODERN ORIENT (ZMO): The ZMO is not interested in Iran projects in general currently due to the Iranian political climate, but may be interested in Syria projects, as they consider it easier to bring Syrian civil society activists out of the country.

--GERMAN INSTITUTE FOR INTERNATIONAL AND SECURITY AFFAIRS (SWP): Mid-level contacts noted that they are not currently interested in working on such projects with us for fear of endangering Iranian-based contacts.

--KOERBER FOUNDATION: Not interested as they do not work on civil society issues; their focus remains on government-to-government and track-two dialogue projects.

13. (SBU) EXTERNAL FACTORS INFLUENCE RELUCTANCE: In addition to the organizations' concerns about the current Iranian internal situation, German organizations' reticence towards cooperating on civil society projects may also be explained by a number of other Germany-specific experiences. The events surrounding the 2000 Heinrich Boell Foundation's Iran

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conference have been seared in the memory of many local NGOs as a cautionary tale for those interested in working on Iran issues. The Boell Foundation's open-door conference, which included both exile and domestic Iranian activists, became the scene of protest actions and international press coverage. The drama surrounding the conference culminated in the arrest and subsequent lengthy jail sentences for nine of the conference participants (including prominent activists Akbar Ganji and Mehrangiz Kar) upon their return to Iran.

14. (C) Discussions with a number of Berlin-based Iran experts also indicate that the latest crackdown by the Iranian regime against civil society activists has also been followed closely by German institutions. In particular, the arrest and detention of Hossein Mousavian, the Khatami-era deputy nuclear negotiator and former ambassador to Germany (long considered by contacts here to be "safe" from IRIG scrutiny due to his regime credentials), has especially cooled German ambitions (including at the Koerber Foundation and SWP) of working with Iranian civil society. Furthermore, the detentions of a number of Iranian-Americans academics and journalists as well as international press scrutiny of the USG Iran Democracy funds have been on the minds of many of our Iran interlocutors and may have played a role in the organizations' responses.

APPLYING LESSONS LEARNED TO FY2008

15. (C) BROADEN THE RECRUITING POOL: The key lesson we draw from this experience is that many of our traditional partners who work on civil society and democratization issues are not (currently) inclined to work on Iran-related projects with us. Should the Small Grants program continue into 2008, we will need to expand our focus on organizations that are either less risk-averse on civil society issues or which work on "softer" civil society issues, like education, culture or the environment. We have already reached out to a number of newly established contacts and will continue our networking

efforts to identify possible partners for both the Small Grants as well as NEA's Iran Democracy (and MEPI) programs.

¶6. (SBU) RECRUIT THROUGHOUT THE YEAR: The recruiting timeframe of July and August was also very unfortunate, often hindering our attempts to contact a number of organizations due to interlocutors' vacations. We hope that the Small Grants program will be available throughout FY2008 so that we can continue approaching possible implementer organizations about this opportunity.

¶7. (SBU) BALANCE RESOURCE CONSTRAINTS WITH DESIRE TO EXPAND MISSION-WIDE: Looking ahead to FY08, we have identified a number of areas which will require further coordination with relevant bureaus. As this initiative is Post's first inter-bureau grant program in recent memory, Post had to develop internal structures to support such an endeavor. MGT, PD, and POL have devoted over 75 hours since the initiative was officially launched, working to develop the necessary infrastructure and processes to support just the recruiting program. As our PD and MGT sections are already working at full capacity on other existing priority projects (detailed extensively in ref C), additional personnel resources are necessary to support successful grants. Expanding our efforts to include other Mission posts, particularly posts with large, transient Iranian populations (Duesseldorf-Koeln, Frankfurt, and Hamburg), would compound these requirements. An expansion would require, e.g., increased travel representational resources for the Program and Grants Officers to manage the grants, as well as more FMC resources to process and report on grant activities.

¶8. (SBU) BRING VETTING REQUIREMENTS IN LINE WITH GERMAN DATA PROTECTION LAWS: German data privacy laws are among the most stringent in the EU and require written permission from each individual whose data may be submitted for vetting. In order to conduct the vetting process as designed by NEA, Post will need advice from German legal experts on how best to conduct data collection in accordance with German law.

¶9. (C) COMMENT: The hesitation and reticence displayed by good Embassy contacts towards this issue/program highlight

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the pressing need for exactly the sort of grassroots civil society contact-- in both directions-- which the Small Grants program was designed to reinforce. Despite a disappointing first round of approaches, Post looks forward to continuing recruitment for this program in FY2008. END COMMENT.
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